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Nickel Smelting Capacity in Communist China

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1. Known resources of nickel in Communist China are limited to small deposits of low grade ore found principally in Szechwan, Tsinghai and Yunnan provinces.

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the Communists constructed three and possibly four small nickel smelters located at or near Kaili and Chengtu (Szechwan), Ta-chai-tan (Tsinghai), and Mo-chiang (Yunnan).<sup>3/4/</sup>

2. Limited information indicated annual capacity of the 3-4 small smelters probably totals about 2,000 tons annually. There is considerable evidence, however, that output has never amounted to more than a small portion of capacity because of technological difficulties at the smelters and transportation problems at the mines.<sup>1/</sup>

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4. China has been chronically short of nickel as indicated both by known imports of refined nickel and nickel oxide sinter shown in Table I attached, and by the high priority given by the Ministry of Metallurgical Industry to research directed toward the development of tungsten, molybdenum and silicon steels and the restriction of requirements for such deficient metals as nickel, chrome and cobalt.

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TABLE I

Known Communist Chinese Imports of Nickel, 1960-63 a/

<u>Exporting Country</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>Metric Tons</u> <u>1963</u>
Total	3849	4695	5392	5477
USSR	113	76	800	1000
Cuba	0	4410	4500	4400
France	615	NA	32	NA
West Germany	1542	NA	15	NA
UK	226	80	17	NA
Canada	472	21	0	77
Hongkong	685	30	NA	NA
Sweden	121	78	28	NA
Belgium	56	NA	NA	NA
Netherlands	NA <sup>19</sup>	NA	NA	NA

a/ Refined nickel and nickel oxide sinter expressed in terms of metal content.

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